

Guidance for the Spring Update
to the
EM Corporate Database:
Life-Cycle Planning Data,
FY 2001 Budget Formulation Information,
and
Paths to Closure

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Table of Contents

Chapter 1	Introduction	1-1
Chapter 2	Schedule	2-1
Chapter 3	Background - The Integrated Planning, Accountability, and Budgeting System (IPABS)	3-1
Chapter 4	EM Data Interrelationships	4-1
4.1	Overview of the Data	4-1
4.2	Key Data Groupings	4-2
4.2.1	Baseline Information	4-2
4.2.2	Budget Information	4-2
4.2.3	Performance Measures	4-3
4.2.4	Stream Disposition Data	4-3
4.2.5	Critical Closure Path	4-3
4.2.6	Programmatic Risk Information	4-4
4.2.7	Science and Technology Information	4-4
4.2.8	Public, Worker, and Environmental Risk	4-4
4.3	Interrelationships	4-5
4.3.1	Baselines and the Budget	4-5
4.3.2	Performance Measures and Stream Disposition Data	4-9
4.3.3	Stream Disposition Data and the Critical Closure Path	4-10
4.3.4	Milestones and the Critical Closure Path	4-10
4.3.5	Programmatic Risk with Stream Disposition Data and Science and Technology Development	4-10
4.3.6	Programmatic Risk with Critical Closure Path Milestones and Science and Technology Development	4-11
4.3.7	Science and Technology Development and Projects	4-11
Chapter 5	National Planning Assumptions	5-1
Chapter 6	The FY 2001 Budget Formulation Process	6-1
6.1	Budget Targets	6-1
6.2	Integrated Priority List	6-1
6.3	FY 2001 Performance-based Budget	6-6
6.4	Ancillary Requirements	6-7
6.4.1	Re-engineering Waste Management	6-7
6.4.2	Non-federal Security Investigations	6-7
6.4.3	Departmental Field Budget Call	6-8
6.5	Headquarters Analysis	6-8
6.6	Corporate Forum Budget Review	6-8
Chapter 7	Management Initiatives	7-1
7.1	Accelerated Site EM Mission Completion Targets	7-1
7.2	EM Integration/Planning	7-1
7.3	Stewardship	7-1
7.4	Annual Baseline Reconciliation	7-4
7.5	Pilot Systems Approach for Enhanced Baseline Development	7-6
7.6	Science and Technology Roadmapping	7-7

Chapter 8	Data	8-1
8.1	Project Level Data	8-1
8.1.1	General Project Information	8-1
8.1.2	Project Baseline Information	8-4
8.1.3	Project Budget Information	8-5
8.1.4	Project Performance Measures	8-6
8.2	Stream Disposition Data Level	8-6
8.3	Geographic Site Level Data	8-8
8.4	Site Summary Level Data	8-9
8.5	Operations/Field Office Level Data	8-10
Chapter 9	Data Uses	9-1
9.1	Integration, Summarization, and Communication	9-2
9.2	Budget Formulation, Execution, and Justification	9-3
9.3	Performance Measurement	9-4
9.4	Program Management and Evaluation	9-5
9.5	Science and Technology Development	9-6
Chapter 10	Data Collection Tools	10-1
10.1	Data Collection Methods and Reporting Options	10-1
10.2	Data Update, Review and Approval Schedule	10-2
10.3	EM Support	10-3
10.3.1	Site User Training and Technical Support	10-3
10.3.2	Technical Guidance and Detailed Instructions	10-4
Chapter 11	Site Inputs to <i>Paths to Closure</i>	11-1
11.1	Site <i>Paths to Closure</i> Reports	11-1
11.2	Site-related Portions of the National <i>Paths to Closure</i> Report	11-3
Attachment A	Detailed Schedule	A-1
Attachment B	Information Required to be Submitted by the Field through June 15, 1999	B-1
Attachment C	Broad Objectives and Scope of the IPABS-IS	C-1
Attachment D	Project Baseline Summary (PBS) List	D-1
Attachment E	Site Requests for Project Changes	E-1
Attachment F	Geographic Site List	F-1
Attachment G	Performance Measure/Estimated Budget Authority Comparison Table	G-1
Attachment H	Programmatic Risk Definitions	H-1
Attachment I	Data Gaps from 1997 Data Collection	I-1
Attachment J	Example Summary of High Programmatic Risk	J-1
Attachment K	Acronym List	K-1

CHAPTER 1 INTRODUCTION

This guidance package provides overall policy and implementation information to Department of Energy's (DOE) Operations/Field Offices and Headquarters about the Office of Environmental Management's (EM) annual process of updating the EM Corporate Database, including the data required to prepare EM's annual *Paths to Closure* report and to support the formulation of the FY 2001 budget. EM will use the data to support many other initiatives associated with its major business processes -- planning, budgeting, performance measurement, programmatic analysis, integration, and reporting. EM has agreed to the data required through the Chief Information Officer's (CIO) data requirements process that was conducted as part of the Integrated Planning, Accountability, and Budgeting System - Information System (IPABS-IS) development process.

While this guidance addresses a wide range of topics, it has two particular areas of focus:

- **life-cycle planning information** required to develop both EM National and Site versions of the FY 1999 *Paths to Closure* report; and,
- **the FY 2001 budget formulation process** including information on how to prepare the FY 2001 Integrated Priority Lists (IPLs), estimate FY 2001 new budget authority (BA) allocations by project within prescribed targets, estimate performance measure targets given the BA target, and develop narrative information.

This guidance focuses on policy and implementation; it does not provide specific instructions for how to submit data electronically. EM will issue that guidance in January.

Several changes have been made this year to improve the entire planning, budgeting, and data collection process.

Guidance

EM is issuing the guidance in two phases.

The first phase is this document. It includes explanations of data uses

and interrelationships to provide context for sites as they assemble their data. The second phase will include the detailed line-by-line instructions for data entry/submission.

Systems/Data Collection

EM is improving the data collection, viewing, and reporting process. Spreadsheets will no longer be used to collect most data. Instead, two web-based tools are currently under development to support the data collection, viewing, and reporting process (see Chapter 10). One tool will focus on stream

Paths to Closure

Paths to Closure is EM's blueprint for completion of all cleanup work in a safe, cost-effective, and compliant fashion. It serves numerous purposes including:

- to articulate the estimated cost, scope, and schedule to complete the mission of the EM program;
- to relate the near-term budget with the long-term objectives of the EM program;
- to discuss prior year progress in the context of what was planned;
- to explain the interrelationships between activities and initiatives at EM Headquarters and in the Operations/Field Offices; and
- to show issues, challenges, and opportunities associated with the EM program, including areas where EM is seeking ways to reduce cost and become more efficient.

disposition data (SDD); the other will collect the rest of the life-cycle planning and FY 2001 budget data.

To make updating more efficient, EM will seed data from existing sources, including last year's data submissions, where possible. In addition, EM will provide pick lists wherever possible.

EM will also allow "batch" input of some data. Essentially, this process will allow sites to populate the data into the database without doing data entry through the front end web application. Sites that would like to provide data through batch input must obtain permission from the EM CIO by January 6, 1999. More information about this option may be found in Chapter 10. EM will issue specific procedures for batch input in early January.

Scope of Data Requests

The data being collected this year are based on a thorough requirements review. Changes to the requirements are under change control. This process will ensure that Operations/Field Offices are informed of any potential changes to the required data in a structured manner. The requirements review has resulted in many changes summarized in Exhibit 1-1.

Exhibit 1-1: Summary of Changes to Data Requirements

Requirement	Effect	Discussion
Public/Worker/Environmental (P/W/E) risk data	Streamlined	Data requirements are significantly reduced. EM eliminated P/W/E risk data at the PBS level. Hazard and risk information is required at the Site Summary Level (SSL) only. The Center for Risk Excellence (CRE) has already compiled the Site Risk Profiles, which EM will seed into the IPABS database.
Detailed PBS-specific safety and health cost and full-time equivalent (FTE) data	Eliminated	Sites should submit safety and health cost and FTE data in accordance with Chief Financial Officer (CFO) guidance. EM will require some safety and health narrative information for each project and for the site as a whole. (Note: EM Safety and Health costs should still be included in project cost estimates.)
Support cost data	Eliminated	EM does not require this breakout. The CFO-managed Financial Management Systems Improvement Council (FMSIC) system will collect support cost data. (Note: EM support costs should still be included in project cost estimates.)
Contracting data	Streamlined	Less data are required.

Requirement	Effect	Discussion
EM facilities list	Expanded	A more complete EM facilities list is required to track facility status and disposition more effectively.
Stream disposition data (SDD)	Improved	EM has modified SDD, formerly Consolidated Project Quantity Table (CPQT) data, to improve data quality, enhance integration studies, and support HQ requirements more effectively.
Annual baseline reconciliation data	Improved	EM has eliminated the enhanced performance section of each PBS and replaced it with an annual baseline reconciliation.
Transportation data	New	EM has added transportation data for Department of Transportation (DOT)-regulated streams to improve integration analysis.
Technical detail	New	EM has added technical detail including chemical and radionuclide constituent information to meet external EM Headquarters reporting requirements.

Science and Technology Linkages

While the majority of science and technology data submitted last year was linked to the PBSs, draft disposition maps, and to the preliminary critical path analysis, PBS managers did not appear to exhibit ownership of the data. To achieve a more focused and better aligned set of science and technology investments, EM has decided to move the science and technology information directly to the PBS level. EM is making a significant change in the manner in which it develops and prioritizes investments in science and technology. The goal is to integrate Focus Area Work Packages and PBSs. To achieve this integration, the PBS managers and the Focus Area teams need to work together to jointly identify those Focus Area Work Packages which are relevant to specific PBSs. To accomplish this correlation, there will be a data field in the technical approach section of the PBS which allows the PBS manager to specifically identify those Focus Area Work Packages, if any, that are relevant to their project. This integration should build partnerships between the PBS managers and the Focus Area teams to ensure that the work packages are tied to projects, that the Focus Area teams will be responsive to the PBS managers, and ultimately that PBS managers will be able to measure Focus Area performance.

Stream Disposition Data and Linkages

Em will enter Stream Disposition Data directly into a system that can “draw” disposition maps. This new system will increase site ownership of the data. The data must be consistent with site life-cycle baselines and will be an integral part of the EM Corporate Database. This year, each storage or disposition stream must be associated with one and only one PBS; however, one PBS may have more than one storage or disposition stream. Refer to Chapter 5 for more detailed information regarding SDD and disposition maps.

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CHAPTER 2

SCHEDULE

The following list summarizes key dates relevant to this guidance and the *Paths to Closure* update process. Attachment A provides further scheduling details and identifies where specific deadlines fit into EM's overall planning, budgeting, execution, and evaluation processes.

Key Dates*

December 21 st	Final policy and implementation guidance is issued
January 15 th	Instructions and tool for providing SDD are available (this tool is called the Analysis and Visualization System or AVS)
January 31 st	Final date to request changes to the PBS structure
February 1 st	Instructions and tool for providing life-cycle planning and FY 2001 formulation data are available (this tool is called the Limited Updating, Viewing, and Reporting Tool)
March 15 th	Draft SDD submitted in AVS
April 15 th	Final SDD in AVS
April 15 th	Life-cycle planning data submitted in Limited Updating, Viewing, and Reporting Tool
April 15 th	FY 2001 formulation data submitted in Limited Updating, Viewing, and Reporting Tool
April 15 th	Validated draft Nuclear Materials Baseline Disposition Maps returned to HQ
April 30 th	Updates to site summaries for the national <i>Paths to Closure</i> due**
May 14 th	Draft site <i>Paths to Closure</i> reports due
June	Site and national <i>Paths to Closure</i> issued

* See Attachment B for a consolidated summary of all of the products that are due (with references to specific sections of this guidance).

** See Chapter 11 for detailed guidance

EM requires draft SDD by March 15, 1999 to improve the overall quality of the final data submission. Between March 15th and April 15th, Site Leads, the EM integration team, and others will review the data and work with the sites to eliminate “disconnects” and improve data quality. With respect to the detailed Stream Characteristics Information (see requirement 1029 in Section 8.2), if Sites can not meet the April 15th date, Headquarters is willing to work with sites on an individual basis to establish a more feasible schedule. After EM reviews the April 15th data submittal, a locked or frozen “FY 1999 Reporting Archive” of the Corporate Database will be taken off-line and used to develop the *Paths to Closure* report and support other Headquarters analytical and reporting needs. The “working data” will continue to be available for updating at the sites’ convenience, but the April 15th archive will become a “read only” version that can no longer be edited (see Section 10.1 for further details). The April 15th data will represent a comprehensive, integrated, consistent, snapshot of the EM program. Site and National *Paths to Closure* reports will be consistent with the April 15th data.

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CHAPTER 3 **BACKGROUND - THE INTEGRATED PLANNING, ACCOUNTABILITY, AND BUDGETING SYSTEM (IPABS)**

EM Headquarters convened an EM Business Process Improvement Team (PIT) in 1996 and 1997 to provide recommendations on improving the EM management system. The PIT recommended restructuring and streamlining independent pieces of the EM management system into one cohesive system supporting the EM mission. The PIT also recommended fundamental improvements such as “projectizing” all EM work and streamlining the financial management process. In 1997, EM conceived the Integrated Planning, Accountability, and Budgeting System (IPABS). The foundation of IPABS includes:

- the *IPABS Handbook*¹, which describes the high-level EM business processes (planning, budgeting, execution, and evaluation);
- the EM Corporate Database, which supports EM information requirements as outlined in the data requirements; and,
- the IPABS-IS, which is the user interface for data input and reporting.

IPABS serves as the unifying EM system for planning, budget decisions, oversight of projects, and actions taken to meet EM program objectives. It is consistent with the DOE Strategic Management System which is the DOE-level management system for aligning planning, budget formulation, budget execution, and evaluation with a focus on results. The re-engineering and streamlining efforts that accompanied IPABS resulted in several fundamental changes to EM business processes and information needs. The *IPABS Handbook* documents two major components of the new EM management vision as embodied by IPABS:

- The high-level business processes that comprise the core of EM’s business:
 - S Planning (Life-Cycle Planning)
 - S Budgeting (Budget Formulation)
 - S Execution (Budget Execution)
 - S Evaluation (Execution Tracking)
- Integrating elements that tie together EM business processes and information requirements:
 - S organization of all work into **Projects**;
 - S development of **PBSs** as the primary source of summary project information;
 - S use of **Performance Measures** to ensure accountability;
 - S development of **Integrated Life-Cycle Planning and Budget Guidance**; and,
 - S development and implementation of the **IPABS-IS** and the supporting **EM Corporate Database** to meet IPABS information requirements.

A major initiative is underway to develop the database and information system to support IPABS (see Attachment C for the scope and objectives). IPABS-IS and the Corporate Database will support EM’s high-level business processes. The IPABS-IS/Corporate Database system will improve the timeliness and effectiveness of EM data gathering from the Operations/Field Office for use by EM Headquarters. The EM Corporate Database will house/archive data used by EM to meet core business objectives. A central

¹Integrated Planning, Accountability, and Budgeting System Handbook, U.S. Department of Energy, Office of Environmental Management, Revision 8.0, November 4, 1998.

Corporate Database will reduce the number of data-gathering tasks Operations/Field Office perform, improve data entry and validation, and provide a clear “audit trail” that tracks the data from input, through reporting, and analysis. The data will be accessible through various desktop tools.

Historically, overlapping requests for data and information occurred without coordinating the timing or content of such requests. Various EM Headquarters offices and National Programs kept similar sets of data without coordinating them. Existing data sets were updated in an ad hoc fashion, and versions of information produced for a particular purpose could not always be linked to the original data sources.

Now, EM will establish a set schedule for updating the Corporate Database. Exhibit 3-1 and Exhibit 3-2 show the updating frequency for various types of data. EM will update some data in the Fall (October - December) as part of a limited update to support critical budget and execution documents. EM will update most data, however, in the Spring (February - April). During the fiscal year, EM collects performance data on a monthly or quarterly basis. The frequency and timing support EM Headquarters’ business processes with accurate and consistent information. Chapter 9 discusses the numerous products in which the collected data are used.

Exhibit 3-1: How the Data in Exhibit 3-2 Are Collected:

Type of Data	Exhibit 3-2 Reference	Data Collection Tool
Budget Data for the Congressional Budget Submission and Other Key Performance Reports and Documents	A,B,C,D,E,F	Fall Budget Data Template Software
Life-Cycle Planning and FY 2001 Budget Formulation	I, J, K	AVS System and Limited Updating, Viewing, and Reporting Tool
Execution Tracking for FY 1998 and FY 1999	AA, G, L, M, T	Progress Tracking System (PTS)
Performance Metrics Tracking for FY 1999	H	Spreadsheets
All Life-Cycle Planning, Budgeting, and Execution Data	N, O, P, Q, R, S, BB, U, V, Y, Z	IPABS-IS

Until IPABS-IS is operational in the Fall of 1999, EM will use alternate data collection systems to populate the Corporate Database. For the information required in response to this guidance, EM will use the AVS and Limited Updating, Viewing, and Reporting Tool to enter data into the Corporate Database. EM will collect execution data in the Progress Tracking System (PTS) for FY 1999.

	1998				1999												2000				
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1998 BA			A (Actuals)																		
1998 Metrics			B (Actuals)																		
1999 BA				C (Appropriation)											N (Actuals)						
1999 Metrics				D (Appropriation)				H (1st Half Tracking)							O (Actuals)						
2000 BA				E (Congressional Request)												P (Appropriation)					
2000 Metrics				F (Congressional Request)												Q (Appropriation)				V (1st Half Tracking)	
2001 BA								I (Formulation)								R (Congressional Request)					
2001 Metrics								J (Formulation)								S (Congressional Request)					
Lifecycle Baseline Information (Scope, Cost, Schedule)								K												Y	
1999 Execution Tracking Information*			AA		G			L			M			T	BB		U			Z	

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* Execution Tracking information will be collected monthly for EM-50 TTPs and DNFSB milestones. All other Execution Tracking information will be collected quarterly.

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Exhibit 3-2: Data Collection Schedule by Data Type

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Chapter 4 EM Data Interrelationships

4.1 Overview of the Data

The data requested as part of this guidance reflect agreements made during the EM CIO data requirements review. All of the data discussed in this section map to specific data requirements contained in the draft *IPABS-IS Data Requirements Report*². Chapter 8 provides more information about the specific data requirements in the *IPABS-IS Data Requirements Report*.

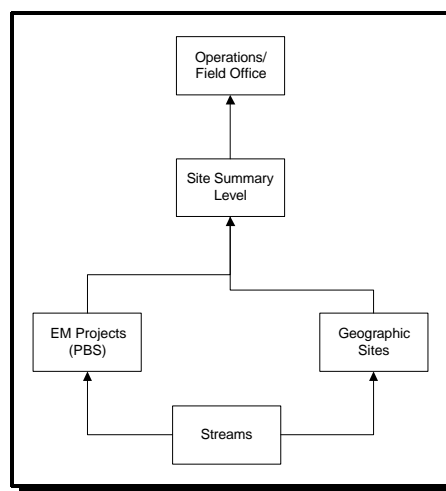
IPABS focuses on building blocks of work called EM projects. Currently, about 375 EM projects comprise the work necessary to complete the EM mission. Attachment D provides a current list of approved projects. The list reflects approved changes since last year's *Paths to Closure* was issued; the list is consistent with the one being used to prepare the FY 2000 Congressional Budget Request. The Project Baseline Summary or **PBS** describes major characteristics of each EM project.

Changes in PBS Structure

If Operations/Field Offices want to change their PBS structure prior to submission of data, they must make the request in writing by January 31, 1999. See Attachment E for details.

The baseline section of each PBS contains a description of the cost, schedule, and work scope associated with a discrete set of activities. Because each Operations/Field Office manages its work with a customized project management approach, the PBS represents a summary of the cost, schedule, and work scope; it is not the actual management baseline. Each Operations/Field Office maintains its own work breakdown structure, earned value system, and work execution system that contain detailed management baselines. In general, site management baselines are maintained with a level of detail that make it prohibitive to duplicate them within Headquarters systems. In many cases, the scope of work is so large that a single PBS represents several similar projects. Regardless of the number of projects at a site represented by a PBS, the interpretation of the baseline cost, schedule, and work scope information in the PBS should be the same across the site. The PBS serves as an appropriate level for primary data collection and information management at Headquarters.

In addition to data collected at the PBS level, EM collects data on other levels including the Stream, Geographic Site, Site Summary Level (which represents the Installation Level for budgeting purposes), or Operations/Field Office. The box to the right shows the general relationship among data collection levels. Some data are collected by **Stream**. Stream Disposition Data (SDD) are associated with tracking contaminated media, waste, and spent nuclear fuel from their current locations to their final disposition. Information about stream inventories, generation rates, disposition, transportation needs, radiological/chemical constituents, programmatic risk, and milestones are collected as part of SDD. This guidance defines streams as being stored or dispositioned by only one EM Project (i.e., PBS) at a time. A **Geographic Site** is an area of land (or series of buildings) where EM has or is conducting cleanup work (see Attachment F for a list



Relationship of Data Levels

²A draft of this report was released in early December by the EM CIO.

of geographic sites). The **Site Summary Level (SSL)** is a level of data collection and reporting that represents one or many geographic sites organized into logical groupings for the purposes of simplifying budget-related data requests. For example, Hanford is both a Geographic Site and a SSL; however, Sandia National Laboratory (SNL) is a SSL with two Geographic Sites, SNL-NM and SNL-CA. All projects map into one and only one SSL (Note: Projects do not necessarily map into one and only one Geographic Site). The **Operations/Field Office** level is used on a limited basis as a data collection level; moreover, all PBS, Geographic Site, or SSL data can be rolled up to an Operations/Field Office level. For a more detailed explanation of the data EM collects at each level, refer to Chapter 8.

4.2 Key Data Groupings

In addition to data collection level, data can be categorized by logical subject-matter groupings. Some of the key subject groupings include:

- Baseline Information
- Budget Information
- Performance Measures
- Stream Disposition Data (SDD)
- Critical Closure Path Information
- Programmatic Risk Information
- Science and Technology Information
- Public, Worker, and Environmental Risk

After summarizing these groups of data, this chapter will discuss how they relate to one another.

4.2.1 Baseline Information

The life-cycle work scope for the EM program is communicated through data associated with site baselines. Site baselines are the starting point for all information contained in PBSs (including the budget data). The baseline elements in the PBS (along with SDD) form a complete summary picture from EM project start (for those projects that began after or in FY 1997) through completion. In addition to future planning information, Project Managers must maintain a historical record for each EM project including actual cost, milestone completions, and performance. Project execution data, collected quarterly (through PTS for FY 1999), are maintained to track progress against the baseline for each PBS.

Items That Reflect the Baseline

- Life-cycle cost estimates by year (or block of years)
- Planned completion dates for milestones including those milestones on the critical path for site completion
- Planned completion dates for release sites and facilities
- Stream Disposition Data (SDD) and disposition maps and the associated data found in the SDD
- End state and other associated scope narrative
- Project execution data
- Project execution information including actual costs, actual milestone completion dates, and actual performance measures.

4.2.2 Budget Information

Budget information in the Corporate Database primarily consists of new budget authority (BA) and performance goals along with associated narratives used in budget documentation. Budget information is consistent with targets provided by

the Department of Energy's CFO and the Office of Management and Budget (OMB). Budget information is focused on a three-year window. With minor exceptions, every PBS has a single corresponding budget and reporting (B&R) code around which EM formulates and executes budgets. Budget authority at the B&R level are of audit quality. In addition to B&R level data, the Operations/Field Office must provide an estimate of BA by PBS divided into prescribed categories and subcategories to communicate the type and estimated BA associated with work that EM performs. These categories and subcategories align with EM corporate performance measures and can be found in Attachment G. These estimates improve communication during the budget formulation and justification phases but are not of audit quality (i.e., sites and Headquarters may not track costs this way in their accounting and financial systems).

Other budget information includes Project Data Sheets for line item construction projects and an Integrated Priority List (IPL), which each Operations/Field Office must generate for the budget formulation year. The IPL prioritizes activities within EM projects starting with the most important to fund. The IPL, therefore, is a tool to evaluate impacts of reduced and increased funding levels.

4.2.3 Performance Measures

The primary purpose of performance measurement in EM is to demonstrate and improve progress toward accomplishing the *Path to Closure* vision, goals, and objectives (i.e., the safe, compliant completion of the EM mission at DOE sites in a cost-effective manner). EM has developed a single set of corporate performance measures that focus on achieving EM's *Paths to Closure* end states and program outcomes, and on those crosscutting areas essential to accomplishing program results effectively and efficiently (i.e., financial, safety and health, risk reduction, and stakeholder trust and confidence measures). Performance measures are integral to the budget. In fact, the budget is a performance-based budget in accordance with the Government Performance and Results Act (GPRA). EM establishes fiscal year goals every year (representing an annual "slice" of the life-cycle objectives) and collects actual results on a periodic basis for all EM performance measures. A summary of EM measures can be found in Attachment G. Definitions for each measure were provided in the October 21, 1998 budget guidance. Uses for performance measure data can be found in Chapter 9. Most measures are collected and tracked by PBS although some measures are tracked at the site or Operations/Field Office level.

4.2.4 Stream Disposition Data

SDD represent data elements associated with EM managed contaminated media (e.g., soils, groundwater, buildings), waste streams (e.g., low level waste, mixed low level waste, etc.), and spent nuclear fuel. Formerly known as CPQT information, SDD compose the underlying data for disposition maps and integration planning. All streams are associated with an EM project for the purposes of managerial and financial accountability. Stream data are an important component of the baseline; they document the life-cycle plans for the disposition of contaminated media, waste, and spent nuclear fuel. Disposition maps include wastewater streams; the maps also contain liquid waste streams that are non-wastewater (e.g., HLW in tanks). EM is not requesting that sites provide life-cycle nuclear material data in the SDD, but instead will provide draft Nuclear Material Baseline Disposition Maps for each site to validate and submit to Headquarters by April 15, 1999. Maps are not in lieu of annual life-cycle profile.

4.2.5 Critical Closure Path

The subset of PBS milestones and events that must occur on schedule in order for EM to complete its mission at a given geographic site as planned represent the critical closure path. Sites can graphically

illustrate the sequence of activities that limit site closure schedules using critical closure path milestone information. EM will also link SDD to the critical closure path by asking each Operations/Field Office to identify those disposition streams that are on the critical closure path.

The EM Program Integration team will be reviewing site critical closure path data to verify that inter-site dependencies are adequately captured. This review will complement reviews of individual site critical closure paths by HQ site teams. The integration team review will also ensure consistency between sites' critical closure paths where inter-site transfers are involved. The EM Program Integration team will work directly with field contacts and program area integration team members once data are submitted in the Spring to accomplish this review.

4.2.6 Programmatic Risk Information

Programmatic risk management is an important element of EM's overall program management strategy. Programmatic risk data identify disposition streams (from the SDD) and the critical closure path milestones that may require additional management attention due to uncertainties with respect to key planning assumptions including scope definition, science and technology availability, and inter-site dependencies. Attachment H contains a summary of the programmatic risk scoring definitions that sites must use in evaluating streams and activities/events. There is a new requirement for sites to identify facility and equipment limitations that are barriers to stream disposition. Programmatic risk measures potential risks to cost and schedule (see Section 4.3.4); this risk is different from public, worker, or environmental (P/W/E) risks which are discussed below (Section 4.2.8).

Programmatic risk is a relatively new project management tool and will continue to require further improvement as sites gain implementation experience. In addition, EM is in the initial stages of establishing a Project Management organization at Headquarters. Once this office is established, it will become the champion for programmatic risk, which may result in an in-depth review of this tool and the definition of this tool. Please note that this process will be coordinated with the ongoing data requirements review.

4.2.7 Science and Technology Information

The IPABS process has been instrumental in linking science and technology needs at EM sites to science and technology development and deployment efforts in EM's Office of Science and Technology. Linkages are made through streams, critical events, and PBSs. Key data elements for each project include FY 1999 site science and technology needs and opportunities, Focus Area Work Packages, technology deployment, opportunities for risk reduction, and potential cost savings. Data are used for the validation of FY 1999 needs statements and FY 2000 Focus Area Work Packages; the development of an improved national prioritization scheme for Office of Science and Technology funded activities; and an improved ability to measure the outcomes of EM's investments in science and technology.

4.2.8 Public, Worker, and Environmental Risk

Public, worker, and environmental (P/W/E) risk should be an integral part of setting priorities, sequencing project work, measuring progress, and demonstrating that EM is managing its hazards to acceptable risk levels, with institutional controls in place. In cases where hazards cannot presently be managed to acceptable or low risk levels, or if continued to be presently managed at the current level will result in more serious risks in the longer term, EM must show that it is addressing these "exception" activities first.

Risk information is collected at the SSL and will highlight the hazards and associated risks deemed important to the sites and their local stakeholders, regulators, and Tribal Nations. It includes site hazard information tables based on the Site Risk Profiles and articulates the site hazard abatement story and associated actual and potential risks from a holistic point of view.

To ensure worker safety, EM is committed to implementing the Integrated Safety Management (ISM) program. The five ISM core functions are: work scope definition, hazards analysis, development and implementation of controls, execution of work within controls, and feedback and continuous improvement. The work scope, hazard, and work performance information is collected at the PBS level. The controls and feedback/improvement mechanisms are described at the SSL.

In completing the S&H and risk information, contractors should consider consistency with similar information required by the CFO Field Budget Call.

4.3 Interrelationships

One of EM's goals for the Corporate Database and IPABS-IS is to integrate data collection across Headquarters' business processes. As part of this integration, EM will streamline and report the data collection based on four EM business processes: budget execution, budget formulation, life-cycle planning, and execution tracking. The following sub-sections discuss in more detail the interrelationships of the key data groupings identified in section 4.2.

4.3.1 Baselines and the Budget

EM uses the project as the key building block for planning, budgeting, and managing its work. Starting with FY 1999, EM's B&R codes center around EM projects so that budgeting and execution tie more closely with life-cycle planning and site baselines. This tie is found in planning documentation such as *Paths to Closure* and in budget documentation, which will discuss the budget in the context of the program's life-cycle needs. In fact, sites should base their budget requests directly on site baseline planning information. During budget formulation, each Operations/Field Office will develop preliminary budget information based on Headquarter's provided targets and the Operations/Field Office's baseline budget requirements. As the budget process culminates in an appropriation, sites will be required to track budget assumptions and how they affect baseline planning assumptions. During execution, sites will need to monitor performance against the baseline in site project control systems. As each year closes, EM will require a final reconciliation of actual performance data (costs, BA, milestones, measures) from site project control systems back to what EM stated in key planning and budget documentation. In the end, EM needs to be able to monitor both site baseline and budget information and how they relate to one another over time. While the detailed explanation of differences between the baseline and budget is not a reporting requirement; Operations/Field Offices should maintain sufficient documentation to provide an explanation if requested.

Dollars in the Baseline and the Budget

PBSs provide two types of dollar amounts to Headquarters. The baseline portion of the PBS (Part A in the 1998 PBSs) contains dollar amounts on a cost basis. This method follows traditional project management principles which are focused on estimated and actual costs. The budget portion of the PBS (Part B of the 1998 PBSs) reflects budget authority or BA. Budget documentation will continue to reflect BA while estimated baseline costs will continue to be used to portray the life-cycle requirements necessary to complete the estimated work scope for the EM program.

Fundamentally, there are definitional differences between costs and BA that always lead to differences in the dollar amounts reported for any given year in the baseline and budget sections of the PBS. Some of the reasons for variations between cost and BA in a given year include:

- Uncosted balances and carryover;
- Variances carried in baselines; and,
- Variations due to the timing differences between BA authorization and outlays, particularly in the case of privatization projects.

However, it is not appropriate for the difference to be the result of conflicts between the policy direction for FY 1999 and/or FY 2000 found in the FY 2000 Congressional budget and the current Operations/Field Office baseline planning assumptions. In this case, Operations/Field Offices must adjust baseline scope, cost, and schedule assumptions so that they are consistent. While it will not be necessary to adjust baselines due to policy changes on a regular basis, it is important that *Paths to Closure*, which reports baselines, represent significant new policy changes resulting from Congressional requests. For example, if Congress were to fund only one of the two canyons at Savannah River, the Operations/Field Office should change its baseline to reflect this policy direction. EM Headquarters will identify those directed changes found in the FY 2000 budget and provide the list to Operations/Field Offices.

Performance Measures in the Baseline and Budget

For some corporate performance measures, EM maintains life-cycle performance objectives as part of the baseline. Life-cycle performance objectives include an annualized:

- Estimate of the release sites and facilities that will be completed;
- Estimate of the waste that will be treated, stored, and disposed;
- Amount of nuclear materials and spent fuel that will be stabilized and made disposition-ready; and,
- Estimate of the completion date of the EM mission at each geographic site.

Within baselines, annualized performance objectives sum to the “universe” of scope for that metric. For example, the sum of the estimated annualized amounts of waste to be treated represents the total estimated amount of waste that needs to be treated for EM to complete its mission. Each year, when sites update the PBSs, SDD and other corporate information, they adjust baseline annualized performance objectives so that they reflect any changes in scope, planning assumptions, or schedule, consistent with the baseline. The baseline (as summarized in the PBSs and SDD) always reflects the complete universe of scope across years from 1997 through project completion.

EM uses these same measures to justify it’s annual budget request. In the budget process, performance measures focus on the three year budget window, consistent with BA targets. Annualized performance commitments for the execution year and goals for the budget formulation year are used in

Performance Measures- the criterion upon which accomplishments will be based (e.g., release sites or low level waste).

Performance Goals- the numerical target that is associated with each performance measure (e.g., 10,000 cubic meters).

Performance Commitments- the performance goals that Field Managers commit to in the current year only (also called management commitments).

numerous documents against which EM must eventually report. One key document is the Congressional Budget Request which summarizes performance:

- Accomplishments in the prior year;
- Objectives for the execution year based on the most recent appropriation; and
- Objectives for the budget formulation year based on the President's request to Congress.

EM will use the data collected in the Fall to develop the Congressional Budget Request. Recently, EM collected performance measure actuals for FY 1998 and is now collecting performance measure targets for FY 1999 and FY 2000 (based on the appropriation and request respectively) by PBS in the "Budget Data Template". This template is the vehicle by which Operations/Field Offices report to Headquarters the budget authority and performance measure data for FY 1998, FY 1999, and FY 2000.

Because of variances carried in baselines (within baseline change thresholds) and timing factors associated with data collection, it is possible that annual performance goals for the three year budget window as reflected in the baseline section of a PBS, could differ from annual performance goals for the three year budget window as reflected in the budget section of the PBS. The portrayal of site baselines in PBSs each year must be consistent with (but not necessarily identical to) Congressional Budget Requests.

It is essential that EM can always provide traceability for the performance commitments in the Congressional Budget Request back to the baselines. This need for traceability poses a challenge to Headquarters and Operations/Field Offices as budgeting and baseline planning assumptions change through time and requires both Operations/Field Office and Headquarters diligence in documenting changes in both baseline and budget documentation. Site project control systems should be the primary method by which Project Managers track and document differences. While these differences do not need to be routinely reported to Headquarters, sites should always be prepared to provide an explanation if requested.

Dollars and Metrics for FY 1998

As EM closes out FY 1998, it must collect data that reflects actuals for the fiscal year (e.g., baseline costs, BA, performance measures, etc.). The budget section of the PBS should show how much new BA was actually allocated to each project. The baseline section of the PBS should show how much is costed by project (based on the recast for FY 1998). Performance measures for FY 1998 will show what was planned for FY 1998 (as stated in the FY 1999 Congressional Budget Request) along with what was actually accomplished. Milestone information will also show what was planned and accomplished as reflected in the PBS. BA and cost may differ for definitional reasons, but both relate to the scope of work that was accomplished in FY 1998. Each Operations/Field Office should be prepared to explain why actual performance varied from what was stated in the FY 1998 column of the FY 1999 Congressional Budget Request. Furthermore, Operations/Field Offices will need to explain how they performed relative to their baseline planning objectives for FY 1998 and what impact that performance will have on the overall life-cycle cost and schedule of the EM program under their jurisdiction.

Dollars and Metrics for FY 1999

FY 1999 is currently the execution year. The planned scope reflected in the baseline section of the PBSs for FY 1999 must be consistent with the scope and schedule articulated in the FY 1999 column of the FY 2000 Congressional budget (i.e., the same basic policy assumptions must be consistent). However, specific performance measure goals in the budget may vary from those in the baseline due to normal variances in the baseline and the timing of data collection. EM Headquarters has already requested sites to explain any

major variances between the FY 1999 performance goals made to Congress in the FY 1999 Congressional request and the latest performance goals for FY 1999 as documented in the FY 2000 Congressional request. As the year progresses, Operations/Field Offices will need to record actual accomplishments in site project control systems and provide accurate reports on performance in FY 1999 against planned BA, planned cost, planned milestones, and planned performance goals. As in FY 1998, EM will close out FY 1999 and require documentation to explain variances between budget and baseline performance goals and actual results.

Dollars and Metrics for FY 2000

For FY 2000, baseline scope objectives must be consistent with the policy assumptions used in the FY 2000 Congressional budget. BA and performance goals for FY 2000 will be documented in the FY 2000 Congressional Budget Request. At about the same time, Operations/Field Offices will provide an update to Headquarters of baseline information. Operations/Field Offices should be able to explain any differences between the FY 2000 baseline accomplishments in FY 2000 and FY 2000 Congressional budget accomplishments in FY 2000. Next Fall, Operations/Field Offices will provide an update to the FY 2000 performance goals based on the FY 2000 appropriation and will then proceed to execute work in FY 2000. At the end of FY 2000, Operations/Field Offices should be prepared to compare FY 2000 actuals back to the original goals set in the FY 2000 Congressional Budget Request.

Dollars and Metrics for FY 2001

For FY 2001, Headquarters recognizes that each Operations/Field Office is just beginning the budget formulation process and that planning assumptions developed for initial budget targets will differ from the baseline. Therefore, for FY 2001, baseline scope objectives and budget scope objectives will show a variance. The differences between what presumably can be accomplished in the baseline (the “planning level”) versus what presumably can be accomplished at the BA “target level” will be communicated through several mechanisms including:

- The IPL - The FY 2001 IPL will build from zero up to the baseline (i.e., planning) requirements level (in priority order).
- Draft FY 2001 Performance Measures - In April, sites will be required to submit preliminary performance goals for FY 2001 based on the BA target. These goals will differ from baseline goals for FY 2001. The difference will primarily be attributable to the difference between the BA target-level funding and the full requirements as documented in the baseline section of the PBS.

Use of Baseline and Budget Data in *Paths to Closure*

Paths to Closure needs to fully reflect the life-cycle scope and cost as described in site baselines and the baseline section of the PBS. At the same time, *Paths to Closure* must be consistent with the FY 2000 Congressional Budget Request including both the policy direction and BA levels. Therefore, EM will take the following approach in *Paths to Closure*:

- Base any life-cycle estimates of cost or total metrics (total volumes of waste, total number of release sites, etc.) on the baseline. Use of baseline information for life-cycle reporting is necessary to capture the entire scope of the EM program.
- Mention BA in any discussion of annualized dollar amounts for FY 1998, FY 1999, and/or FY 2000. BA must be used to ensure consistency with the FY 2000 Congressional budget.

However, if the discussion warrants a clear distinction between BA and cost, the baseline cost numbers will be presented and explained as well.

- Base any discussion of performance measures for FY 1998 or FY 1999 on the FY 1998 or FY 1999 column of the Congressional budget. Actual accomplishments for FY 1998 should be consistent between any baseline or budget documentation. FY 1999, performance targets may differ in baseline documentation (as reflected in the baseline section of the PBS or SDD) as a result of normal variances carried in baselines.
- State in any discussion of metrics for FY 2000 whether scope measures are based on budget estimates (consistent with the Congressional Budget Request) or the baseline (consistent with the baseline section of the PBSs and SDD).
- Base any discussion of dollars or metrics in FY 2001 on the baseline. The FY 2001 budget will be in the formulation process; as a result, it will not be appropriate to discuss the specific numbers in the FY 1999 version of *Paths to Closure*.

4.3.2 Performance Measures and Stream Disposition Data

Stream level data can be summarized by performance measure reporting category (e.g., LLW Disposal - On-Site/Commercial) at the PBS level. This linkage between life-cycle disposition planning numbers and performance measures allows EM to discuss annual goals and objectives in the context of total program scope. There are however, two factors preventing performance measure goals from simply being a mathematical rollup of all SDD:

- Not all streams are considered “performance measure streams”. For example, remediation waste is currently not counted as a performance measure. Therefore, there are “ methods for how specific budget/performance categories are computed from SDD in terms of which stream to count and which streams to ignore. EM will provide specific instructions for how to identify “performance measure streams” in the Detailed Stream Disposition Data Instructions.
- SDD reflect the baseline, not the budget in the planning and formulation years. Therefore, the budget performance measure targets for these years could vary from the mathematically-derived volume from the SDD. However, while not the same, there is an expectation that the budget-based performance targets are related to the rolled-up “performance measure streams” from the SDD.

Operations/Field Offices should keep the relationship between “performance measure streams” and all project-level streams in mind as they update performance measure targets (as part of budget updates) and SDD (as part of baseline updates). As discussed above, Operations/Field Offices will be required to explain differences between baseline (SDD) and budget (project-level) performance targets in any given year and explain differences in targets for any given year over the life cycle. As each year is closed out, EM will require preliminary actuals for project-level performance measures in the Fall. In the Spring, when Operations/Field Offices update SDD-level information, there will be an expectation that the "performance measure" stream-level actuals for the prior year (from site baseline documentation) will equal the total project-level prior year actuals (from budget documentation). For example, for FY 1998, the sum of “performance measure stream” actuals for FY 1998 should be the same as the FY 1998 project-level actuals reported in the limited fall budget update.

For the execution year, the general rules from section 4.3.1 apply. Budget-based performance targets should be based on the derived numbers from the baseline SDD but they may differ due to variances carried in baselines and timing differences in data collection. Operations/Field Offices should be able to explain these differences. For the budget year, differences between SDD and performance measure targets (in the Congressional Budget Request) should be explainable. From the Congressional budget submission, through appropriations, execution, and year-end close-out, Operations/Field Offices should be prepared to explain variations between SDD estimates and performance measures.

4.3.3 Stream Disposition Data and the Critical Closure Path

Annual disposition planning data (i.e., disposition/shipping schedules) must be internally consistent with project completion and site closure data reflected elsewhere in the PBS or critical closure path milestones. Certain annual disposition data form the basis for determining completion and closure schedules. In order to improve data interrelationships, EM is requesting that Operations/Field Offices identify streams that are on or influence the critical closure path. This identification is being accomplished through a simple Yes/No field in the SDD tables.

4.3.4 Milestones and the Critical Closure Path

As part of the baseline documentation, each PBS must contain a list of important life cycle milestones with planned completion dates. Headquarters has identified milestones that must be included in the PBS:

- Enforceable Agreement Commitments
- Defense Nuclear Facilities Safety Board (DNFSB) Commitments
- Management Commitments (performance commitments in current year)
- Major Decision Point (e.g., Environmental Impact Statements (EISs), RODs)
- Inter-site Implications
- Critical Decision (those tracked for line item projects, strategic systems, etc.)
- Critical Closure Path
- Project Start and End Dates.

Last year, as part of the data collection for *Paths to Closure*, EM Headquarters required a separate list of critical closure activities and events outside of the PBS. This method of collection led to duplicative and sometimes conflicting data submissions from the Operations/Field Offices. This year, EM is establishing a stronger tie between project milestones and the critical closure path. Operations/Field Offices will “tag” project milestones on the critical path instead of providing a separate list. One benefit of this approach is the linkage of critical closure milestones directly to execution tracking. EM will track project milestones on a quarterly basis in the execution tracking system. Therefore, each quarter, EM Headquarters will receive a status on all milestones including those that are on the critical closure path.

4.3.5 Programmatic Risk with Stream Disposition Data and Science and Technology Development

Each disposition stream has an associated programmatic risk score. Every stream must be scored with respect to three programmatic risk categories -- scope, technology, and inter-site dependencies. The scoring is based on a 1-5 scale where five is high risk. These programmatic risk scores help identify areas that require management attention -- areas that could result in significant cost growth or schedule delays. Each disposition facility may also be scored (1-5) for any facility and/or equipment limitations that may be barriers to stream disposition (see Attachment H for programmatic risk definitions). Field Managers must

also identify science and technology needs for each stream (provided that a need exists for the stream). The technology needs, chosen from a valid list that each Operations/Field Office prepares annually, links stream disposition data (SDD) to science and technology development through technological risk scores.

4.3.6 Programmatic Risk with Critical Closure Path Milestones and Science and Technology Development

Similar to disposition streams, each critical closure path milestone (event or activity) is associated with a programmatic risk score (provided that a risk exists for the milestone). The programmatic risk categories and scale are the same for critical closure path milestones as they are for disposition streams. For those critical closure milestones, Project Managers identify science and technology needs from the valid list that each Operations/Field Office has previously prepared. Thus, the science and technology needs are also linked to the critical closure path.

4.3.7 Science and Technology Development and Projects

As described elsewhere in this section, there is connectivity between the waste stream data in the SDD, the critical closure path data, and the relevant PBSs. While these relationships are important for overall data quality, they are particularly important in terms of validating the FY 1999 site science and technology needs and opportunity statements, and prioritizing and measuring the value of the Focus Area Work Packages. The ties are made by (1) linking the waste stream data from the SDD to the PBSs; (2) linking the critical closure path milestones to the PBSs; and (3) adding the relevant Focus Area Work Packages to the SDD and to the critical closure path milestones. This third requirement is in addition to providing the relevant science and technology needs/opportunities for the streams and critical activity descriptions. At the PBS level, aggregate potential cost savings for each technology can be estimated leading to an overall potential benefit to the EM program from the deployment of new technologies. The Office of Science and Technology uses this information in its prioritization efforts and deployment strategies as discussed in Chapter 9. Exhibit 4-1 (on the next page) depicts the relationship between the critical closure path, SDD, and technology deployment.

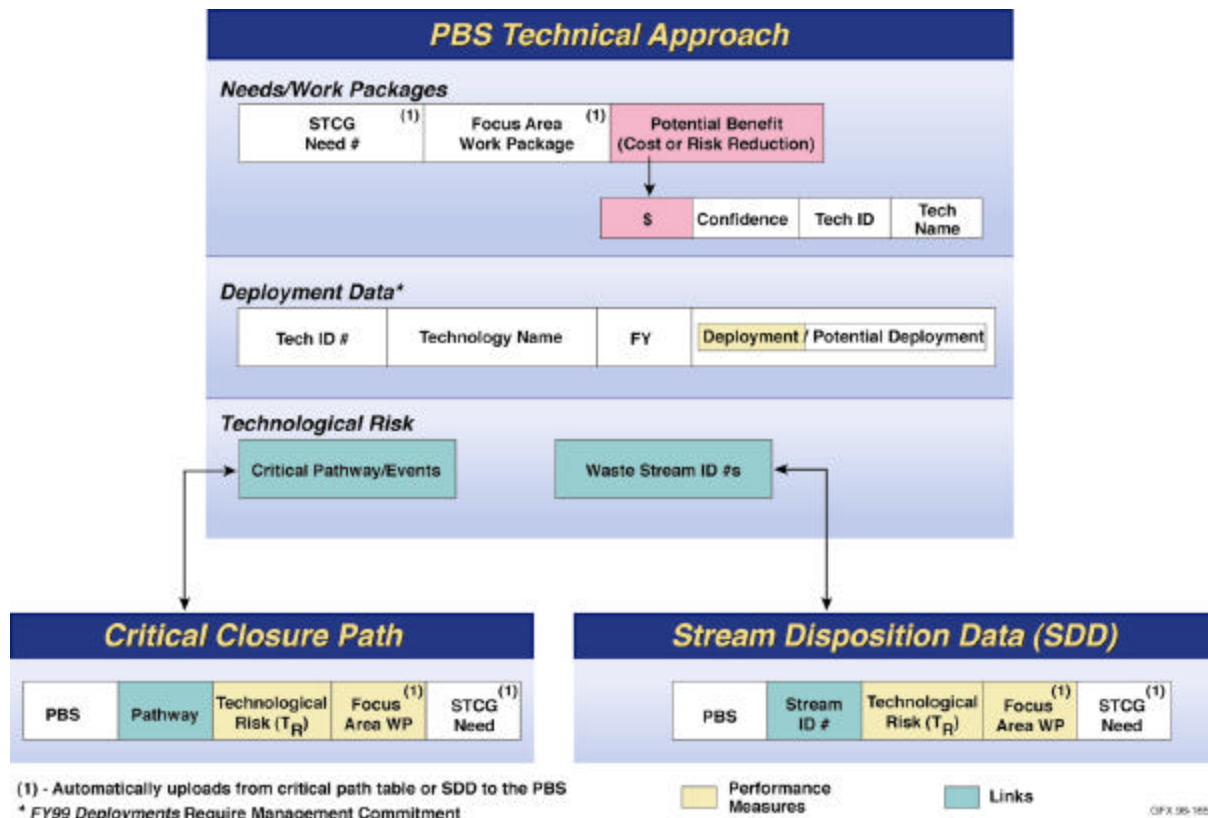


Exhibit 4-1: Science and Technology Development

Chapter 5 National Planning Assumptions

Operations/Field Office *Paths to Closure* submissions and the data submitted to Headquarters should be based upon the following national planning assumptions:

- **Compliance** - The Department places a high priority on compliance with environmental laws, regulations, agreements, standards, nuclear safety rules, and other applicable requirements. Site *Paths to Closure* reports must reflect and explicitly state this position. In completing PBSs, Operations/Field Offices must identify regulatory drivers for each EM project. Also, PBSs must include all significant enforceable agreement milestones and DNFSB milestones. As part of the FY 2001 formulation process, each Operations/Field Office must tie FY 2001 BA to compliance drivers in its IPL.
- **Public, Worker, and Environmental Risk**- EM's policies include ensuring the safety and health of workers and reducing risks to the public and the environment. Accordingly, site baselines and *Paths to Closure* documents should be developed consistent with the statement "do work safely or don't do it." Hazard management is an integral part of setting priorities, sequencing project work, measuring progress, and demonstrating that EM is managing hazards. Initiatives in Site *Paths to Closure* should place priorities on projects that reduce risks.
- **Funding Constraints/Budget Targets** – Operations/Field Offices should use the \$5.75 billion planning levels provided in the October 20, 1997 guidance package when developing this year's life-cycle cost estimates. Baselines should reflect compliance needs as described in the first bullet point above; however, given budget constraints, Operations/Field Offices should avoid submitting baselines with unrealistic funding levels relative to recent historical experience.
- **EM assumes a site is "complete" when:**
 - S Deactivation and decommissioning of all facilities currently in the EM program have been completed, excluding any long-term surveillance and monitoring (LTS&M),
 - S All releases to the environment have been cleaned up in accordance with agreed-upon cleanup standards,
 - S Groundwater contamination has been contained, or long-term treatment or monitoring is in place,
 - S Nuclear material and spent fuel have been stabilized and/or placed in safe long-term storage, and
 - S "Legacy" waste (i.e., waste produced by past nuclear weapons production activities, with the exception of high-level waste) has been disposed of in an approved manner.

This definition does not imply that EM or DOE is leaving the site when the defined criteria are met. Nor does this definition preclude future uses for sites. Site *Paths to Closure* and associated PBSs should include appropriate EM planning assumptions and cost estimates for LTS&M (see next bullet point), groundwater treatment, and long-term storage/disposal activities at sites when those activities extend beyond the EM completion date.

- **Stewardship and Long-term Surveillance and Monitoring (LTS&M)** – Each site needs to be able to delineate between active cleanup costs and stewardship costs. For projects with stewardship responsibilities, sites should provide a life-cycle cost estimate through completion of site cleanup

activities, as described above, and an annual estimate of LTS&M costs beyond project completion. (See Section 7.3 for details.) This approach is different from last year's approach because it does not assume a life-cycle defined by a fixed end date (i.e., 2070).

- **End States** - Site *Paths to Closure* and associated data should be based on the best available end state (or end point) assumptions for each geographic site. However, decisions about end states and cleanup approaches to achieve those end states will ultimately be made in accordance with the requirements of CERCLA, RCRA, and other applicable statutes and may differ from the assumptions described in this document. At sites where significant differences could exist between the planning end state and the ultimate end state, Headquarters may request an order of magnitude estimate of the costs to reach a range of alternate end states. Of particular interest is the estimated cost to deactivate and decommission the gaseous diffusion plants at Portsmouth and Paducah, and the estimated costs to decommission the major facilities (e.g., the canyons) at Savannah River.
- **Program Direction** - Headquarters will report costs associated with Program Direction in a separate PBS. Although sites may track Program Direction costs in their project control systems, sites should not develop a PBS for Program Direction.
- **Privatization** - For this update, Operations/Field Offices should not report BA above their targets for any new privatization projects. BA for **approved, pre-existing** privatization projects must be included in each Operations/Field Office BA submittal and is permitted to exceed the target funding level in the near term. Baseline cost estimates for privatization projects should reflect outlays. Outlays for existing privatization projects must be included in Operations/Field Office baselines and consequently in a PBS.

Privatization Projects

For privatization projects, baseline estimated cost should reflect the estimated outlay profile for the project.
- **Baseline Costs/Escalation** - Baseline costs are found in two places: at the project level and at the SSL by category (e.g., landlord or remediation). Baseline costs should be reported in current (i.e. escalated) dollars. The escalation rate, as specified by OMB, will be provided under separate cover. The PBS will automatically calculate baseline costs in *constant* 1999 dollars.
- **Facilities** - The Site *Paths to Closure* submittal and its supporting PBSs should include only facilities currently in the EM program. This facility estimate should include all active facilities presently in EM's inventory. Until FY 2002, the EM program assumes that it will maintain a stable scope of facilities and will not require revisions to accommodate additional facilities transferred from other programs. Starting in FY 2002, transfers of excess facilities into the EM program will become a possibility.

Each Operations/Field Office must provide an order of magnitude estimate of the potential financial liability posed by the future transfer of additional excess facilities (i.e., those not in the baseline). This estimate should include all facilities not in the EM inventory that are currently excess or projected to be excess as of the date of the data submittal. Again, this estimate should not be part of a PBS; rather, it will be provided separately in the SSL and represents additional costs above the baseline estimates.

- **Enhanced Performance** - Baselines should not include enhanced performance assumptions that the site has not yet found a way to achieve.
- **Non-EM Newly Generated Waste and Associated Costs** - It is EM's goal to transfer financial responsibility for newly generated wastes to the generating program as soon as possible. For data analysis purposes, EM will assume all responsibility has been transferred by 2001. For Albuquerque, Headquarters assumes that transfer of newly generated waste activities will be complete by FY 1999. If these costs have been included in a site baseline, the site must identify those costs in the PBS. Once responsibility has been transferred, the target level of funding for that project is no longer available for EM to request, effectively reducing the target. This reduction in funding target occurs because EM assumes that as financial responsibility for newly generated waste transfers to generator programs, corresponding EM budget target funding also transfer. Regardless of the transfer strategy, *Paths to Closure* will not include non-EM newly generated waste management costs associated with operating DOE facilities in the life-cycle completion estimate. The waste management costs associated with newly-generated non-EM waste must be separated from costs associated with legacy waste and waste generated as part of the cleanup program in the PBS. EM will disclose the newly-generated non-EM waste management costs.

Program offices (e.g., Defense Programs, Environmental Management) have agreed to provide waste management data, including waste volume data, to meet external reporting requirements. To implement this agreement, each Operations/Field Office must provide disposition data for all years of "DOE waste management" operations, and where applicable, the date when financial responsibility for newly generated waste transfers to another program. Information on DOE waste management functions are needed to support a variety of DOE complex-wide capacity and configuration analyses. EM-specific analyses, performance measures, management commitments, etc., will rely on the re-engineering transfer date to truncate the DOE life-cycle schedules and volumetric data and develop EM life-cycle schedules and data, as appropriate.

- **Other non-EM Costs in the Baseline** - Operations/Field Offices should explicitly identify in each PBS any other estimated costs in their baselines that they expect another entity to pay (e.g., other DOE program office, state, private corporation).
- **Stream- Definition Rules for PBSs-**
S The October 1997 guidance defined "streams" as "**a group of materials, media, or wastes having similar origins, management requirements [same disposition path], or barriers to disposition**".

For example, a site might designate one stream on a Baseline Disposition Map of various types of acidic waste in inventory that must be neutralized in an on-site treatment facility prior to any other management step. The neutralized sludge resulting from that process would be a new stream with different characteristics and management requirements. It must go through a stabilization process before it can be disposed. The stabilized neutralized sludge resulting from that process is another new stream, now ready for disposal. In this example, the site dispositions three separate streams (acidic waste, secondary waste sludge resulting from treatment, and stabilized, disposal-ready sludge) with different management requirements into three separate processes (neutralization, stabilization, and disposal). Each stream is depicted separately on a Baseline Disposition Map and represents a unit of work scope to be completed sometime during the life of an EM project.

- S To facilitate the continuing integration and alignment of project scope and cost, **this guidance further defines streams as being stored or dispositioned by only one EM project (i.e., PBS) in a given year.** That is, Project Managers may not associate two or more projects with a given stream in a single year. One PBS, however, may have more than one storage or disposition stream.

As in the above example, the Operations/Field Office might manage the acidic waste stream in inventory (stored) by PBS A and the acidic waste neutralization process by PBS B. However, no other project should have shared responsibility (with PBS A) for storing the acidic waste or shared responsibility (with PBS B) for seeing that the acidic waste is neutralized. Thus, no more than one project is associated with storage or disposition of a waste stream in the same year. Operations/Field Offices can manage any number of streams under a given project. (PBS A could be responsible for managing all aspects of all three streams from storage through neutralization, stabilization, and disposal.)

- S In the past, Operations/Field Offices have associated some streams with more than one PBS for storage or disposition in a given year. This situation made responsibility and accountability for storage or disposition ambiguous and complicated PBS-level summaries of performance measures and costs. **Program Managers must split the few streams affected into two or more streams so that only one EM project is responsible for storage or disposition in a given year.** If, as in the above example, the manager stored the acidic waste stream in a large tank system managed by PBS A, but also in 5-gallon cans in a laboratory managed by PBS C, the acidic stream should be split into two separate streams (containerized acidic waste and acidic tank waste) that have unique management (storage) requirements, one requirement managed by PBS A and one requirement managed by PBS C.
- S Multiple projects frequently generate one stream. Although EM Headquarters is not requiring generation PBSs to be identified because there may be multiple sources, some Operations/Field Offices have expressed a desire to identify generation PBSs. Operations/Field Offices have the option to identify generation PBSs. Operations/Field Offices should determine the “responsible” project based on direct operational responsibility for storage or disposition. Note that the project expends funds managing the waste but does not necessarily provide the funding.

- **Waste/Materials Disposition** - Baseline data must be consistent with formal Departmental decisions, stakeholder and Tribal Nation agreements and permits relating to approved, authorized, and/or permitted treatment and disposal sites/facilities; quantities that the Department has formally agreed to move off site; and approved generator lists at receiving sites. If for any reason the baseline disposition of a stream (or alternatives being negotiated) cannot be effectively aligned with formal decisions or agreements, the disposition for that stream should be designated as “to be determined” or “TBD”. TBDs related to Records of Decision for treatment and disposal of MLLW and LLW must remain TBDs until formal decisions are announced in 1999.
- **Defining “TBD” in SDD** - Project Managers can reflect uncertainty regarding stream disposition as a to be determined (TBD) in four disposition data elements: disposition activity, site, facility, and/or technology. EM will collect information for each TBD stream to specify the reason(s) for its TBD status (see below), but they generally relate to the programmatic risk categories and the degree of uncertainty associated with inter-site dependencies, work scope definition (as result of insufficient

waste or media characterization), lack of appropriate technology or facility/equipment limitations. As stated above, TBDs related to Departmental decision making processes (NEPA RODs) and negotiations with receiving sites and their stakeholders, regulators, and Tribal Nations are of critical importance.

EM will provide a pick list of possible reasons why a stream may have TBD status.

Operations/Field Offices have the option of adding to this list as appropriate to describe their particular situation. For example the pick list would include: *No disposition policy; No facility identified; Inadequate funding; Contracts not in place; Waste not characterized sufficiently; Technology not identified; ROD not issued (CERCLA or NEPA).*

- **Waste Isolation Pilot Plant (WIPP)** - When preparing life-cycle planning data, Operations/Field Offices should assume that WIPP will open in January FY 1999 to accept non-mixed transuranic waste. Operations/Field Offices should also assume that WIPP will begin to accept mixed transuranic waste in late calendar year 1999. WIPP is not licensed to accept non-Defense transuranic waste. If your Operations/Field Office intends to ship waste to WIPP, there must be a discussion with the Carlsbad Area Office (CAO) to ensure that the shipping and receiving volumes are scheduled similarly. Furthermore, sites should work with CAO to make sure they will comply with the draft RCRA Part B Permit characterization and quality assurance requirements.
- **Involvement of Tribal Nations, State and Local Government Officials, Regulators, and Stakeholders** - Consistent with the Department's Public Participation Policy (DOE Policy 1210.0) and EM's Public Participation Policy of May 1, 1995, Tribal Nations, state and local government officials, regulators, and stakeholders should be afforded ample opportunities for substantive involvement in the phased development of each Operations/Field Office's FY 2001 budget and life-cycle planning submittal. Accordingly, sites should engage Tribal Nations, state and local government officials, regulators, and stakeholders throughout the development of life-cycle data and the FY 2001 budget formulation processes. In addition, Tribal Nations, state and local government officials, regulators, and stakeholders should be afforded the opportunity to participate in the development of the FY 1999 site *Paths to Closure* report, including the development of site risk profiles and integration proposals.

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CHAPTER 6 THE FY 2001 BUDGET FORMULATION PROCESS

In order to provide timely input into the Department's FY 2001 budget formulation process, EM is requesting that each Operations/Field Office submit the following deliverables, based on the Office of Management and Budget (OMB) targets (which will be provided as soon as they become available):

- An FY 2001 Integrated Priority List (IPL);
- FY 2001 Budget Authority (BA) and performance measures data;
- Ancillary requirements (i.e., Re-Engineering Waste Management; and Non-Federal Security Investigations, and Department of Energy Field Budget Call Exhibits). **Input is due by April 15, 1999.** EM will collect this information as part of the overall Spring Update through the Limited Updating, Viewing, and Reporting Tool on April 15th.

6.1 Budget Targets

OMB is in the process of developing EM's FY 2000 funding and outyear targets. Funding levels for the FY 2000 Congressional Budget Request and outyear targets for FY 2001 and beyond will be forwarded to you as soon as they become available. However, all targets will be embargoed until early February 1999 when the President releases the FY 2000 budget request to Congress. As soon as these funding levels are received, two tables showing budget targets will be forwarded for your use in developing the FY 2001 budget materials. The first table will show EM's FY 2000 Congressional Budget Request as well as outyear targets for FY 2001 through FY 2006. These are the targets that will accompany the President's FY 2000 budget request. A second table will show the FY 2001 target level along with an 85% "below-target" level for FY 2001 from which our impact analyses will begin. These targets should be considered for budget-building purposes only at this time.

All Operations/Field Offices are asked to review their FY 1999 funding allocation letters which were sent by Acting Assistant Secretary James M. Owendoff on November 20, 1998. As part of the FY 2001 program, each Operations/Field Office is responsible for funding requirements identified in the attachment to that letter, including Congressional and Departmental Priorities. EM is responsible for monitoring both site baseline and budget information and how they relate to one another over time. Therefore, the portrayal of site baselines in PBSs each year must be consistent with (but not necessarily identical to) Congressional Budget Requests. If an Operations/Field Office is aware of additional requirements which have become known since transmittal of the November 20, 1998 letters or if additional requirements become known before the submittal date of April 15, 1999, those requirements should be incorporated in the FY 2001 program as well.

As a reminder, all budget materials for Program Direction, Science and Technology, and the National Programs will be prepared by Headquarters and that funding will not be included in the Operations/Field Office targets. However, the Centers for Excellence are to be included as part of the field submittals and that funding will be included in the targets (except for the Center for Risk Excellence which will be included in the Science and Technology target).

6.2 Integrated Priority List

Each Operations/Field Office is required to provide one FY 2001 IPL. This "optimal case" IPL will reflect the trade-offs each Operations/Field Office deems appropriate to present a balanced program.

It is recognized that each Operations/Field Office has its own priority-setting process or system in place. Some site priority-setting processes may be quantitative in nature while others may be qualitative. EM Headquarters does not intend to impose a standardized prioritization system, nor will it compare the prioritization system results from site to site. It is recognized that each process or system was designed with input from regulators, local stakeholders, and Tribal Nations. However, Operations/Field Offices should also consider the following EM principles in developing their priority lists.

- Eliminate the most urgent risks.
- Maintain compliance.
- Reduce mortgage and support costs to free up funds for further risk reduction.
- Protect worker health and safety.
- Reduce the generation of wastes
- Create a collaborative relationship between DOE, regulators, stakeholders, and Tribal Nations.
- Focus science and technology development on filling technology gaps and cost/risk reduction.
- Integrate waste treatment and disposal across sites.

The process used for project prioritization and sequencing to maintain project and end-state integrity, while ensuring the safety of site workers and the public, is particularly significant in cases relating to budget constraints and changing project scope and schedules. IPL data will represent the Operations/Field Office's current prioritization of EM projects and will help to make the tradeoffs between different strategic approaches more explicit. Stakeholders should participate at the site level in how work is prioritized.

Embargoed Funding Targets

Funding levels for the FY 2000 Congressional Budget Request and outyear targets for FY 2001 and beyond will be forwarded as soon as they become available. However, all targets will be embargoed until early February 1999 when the President releases the FY 2000 budget request to Congress. While the specific funding amounts may not be discussed with stakeholders, this does not preclude general discussions of a site's program and priorities. Operations/Field Offices are encouraged to undertake these discussions as early as possible in the process, with more specific funding discussions occurring after the release of the FY 2000 Congressional Request in February 1999. Please note, Operations/Field Offices should not use outyear BA targets to develop outyear baseline costs.

Building the IPL

The IPL should outline, by sub-PBS level of detail, the entire scope of work that the site would be able to accomplish in FY 2001 at various funding levels (below target, target, and planning). The planning level should reflect all requirements necessary to accomplish work scope described in the site baseline. The below target program must first be prioritized. The below target program is defined as the program that would be accomplished at a level 15% below the target. Next, prioritization would continue to the full target level. Please note that only traditional budget authority is to be prioritized (no Privatization funding).

Within the target level of funding, Operations/Field Offices are expected, to the extent possible, to include all compliance, risk, minimum safety, acceleration activities, as well as the operating (base program) portion of any privatization projects. If these activities cannot be accommodated within the target level, the Operations/Field Office should include these activities as an over-target item on the priority lists. All over-target items must be prioritized and included on the IPL in the same manner as the within target items. The IPL should go up to a BA level necessary to meet full baseline needs.

Categorization of PBSs

All sub-PBS entries must be categorized in terms of Compliance Driver as well as Peer Review Work Classification Definitions (see description of categories below). The compliance drivers are the same categories that were used to develop the FY 2000 budget. The Peer Review Categories are to be added for FY 2001, using the FY 2000 Peer Review experience as a guide for categorizing FY 2001. FY 2000 Peer Review data is available, by PBS and in summary, via the FTP server used for budget information [Userid: embudget; Password: 1budgetpw; Note that both the userid and the password are case sensitive].

As in past years, for each element in the IPL, the BA associated with the element must be allocated into the 10 driver categories found in Exhibit 6-1. In most cases, more than one programmatic driver category will apply to a single IPL element. In the case where several programmatic drivers apply to a part of an IPL element and there is no way to discern which programmatic driver applies to which part (i.e., they are overlapping to the extent that they cannot be separated), the Project Manager should assign the BA to the programmatic driver category ranking the highest from Exhibit 6-1. If there is another part of the same IPL element for which a specific driver can be separately identified, funding for that driver should be included in the column for that specific driver in the same IPL element line.

At the same time, each element must be binned into **one and only one** Peer Review category as listed in Exhibit 6-2. Each element should be assigned to the category that best describes the activity. If necessary, Operations/Field Offices should consider splitting an IPL element to more accurately categorize the activity.

Exhibit 6-1: Programmatic Driver Categories

Category	Description of Driver
1	<u>Required by a compliance agreement.</u> This category includes activities required to meet enforceable milestones agreed to in cleanup and compliance agreements as well as program support/management activities that are directly required to meet such milestones.
2	<u>Required by a court order, settlement agreements, or consent decree.</u> This category includes activities taken to comply with consent decrees, settlement agreements, or court orders, as well as program support/management activities that directly support such activities.
3	<u>Required by federal environmental statute or regulation (includes permits).</u> This category includes activities required to comply with federal environmental statutes, regulations, and permits that are not already captured under categories 1, 2, 4, or 6. Federal environmental statutes include but are not limited to, the Atomic Energy Act, the Pollution Prevention Act, Clean air Act, Clean Water Act, Resource Conservation and Recovery Act, Safe Water Drinking Act, Comprehensive Environmental Policy Act. This category also includes program support/management activities that directly support compliance with these federal laws and regulations.
4	<u>Required by state or local statute or regulation (include permits).</u> This category includes activities necessary to comply with applicable state or local statutes, regulations, existing permits, draft permits, or proposed agreements that are not already captured under compliance categories 1, 2, or 3. This category also includes program support/management activities that directly support compliance with these laws and regulations.
5	<u>Required to comply with commitments to the Defense Nuclear Facilities Safety Board.</u> This category includes activities necessary to comply with Departmental commitments to the DNFSB. This category also includes program support/management activities that directly support compliance with such commitments.
6	<u>Required by Department of Energy Order - Environment, Safety, and Health (Department of Energy ES&H).</u> This category includes activities required to meeting one or more internal Department of Energy ES&H requirements, that are not already captured by categories 1, 2, 3, 4, or 5. This category also includes Executive Orders and program support/management that directly support compliance with Department of Energy ES&H orders.
7	<u>Required by Department of Energy Order - Management and Other.</u> This category includes all actions taken in response to Department of Energy orders designed to implement best management practices. Program/management support activities (such as Department of Energy staff, support contractors, budget planning, and facility operation) are included in this category when the primary activity to be supported does not fall under categories 1, 2, 3, 4, 5, or 6 above.
8	<u>Required by Agreements in Principle or Agreements with Indian Nations.</u> This category includes activities that are not required by either categories 1, 2, 3, 4, 5, or 6 above, but are essential to meeting requirements of Agreements in Principle or agreements with Indian nations.
9	<u>Required to meet a proposed Compliance Agreement.</u> This category includes proposed or ongoing activities that are required by the projected provision of a proposed compliance agreements and are not already captured by categories 1, 2, 3, or 4.
10	<u>Other Essential Management Functions.</u> This category includes activities that are not required by either environmental law or internal S&H requirements, but are considered essential to effective site operations.

Exhibit 6-2: Peer Review Work Classification Definitions

Work Classification	Definition
A	<u>Minimum Safety</u> . Those surveillance, maintenance, and support activities required to control existing material, waste, and facilities in a safe, stable condition (e.g., maintain ventilation systems to prevent buildup of explosive gases). No remediation, stabilization or disposal will occur unless safety related. Activities which simply comply with regulatory requirements and agreements but are not necessary for safe operations will not be included.
B	<u>Essential Services</u> . The balance of activities required to maintain the facility without advancing the mission (e.g., security outside the site fence).
C	<u>Significant Safety Risks</u> . Work required to mitigate known risks (e.g., DNFSB 94-1) which pose a significant hazard to workers, public and/or the environment.
D	<u>Additional Environmental Requirements</u> . All other environmental activities (e.g., low risk environmental restoration) that have not been placed in any other of the Peer Review Work Classifications.
E	<u>Non-Proliferation</u> . Management and disposition of foreign spent nuclear fuel and special nuclear material (e.g., IAEA).
F	<u>Mortgage Reduction</u> . Investing in activities that will result in lower life cycle costs (e.g., accelerated processing to close out HLW tanks).
G	<u>Community Mandates</u> . Activities resulting from implementation of DOE policies. Examples include but are not limited to PILT, State Oversight, AIPs, HBCUs, Tribal Grants, cooperative agreements, emergency preparedness grants, and openness initiatives. Litigation and adjustments to under-funded pensions are also part of this classification.

For each sub-PBS activity on the IPL provide:

- Narrative impacts for elements at 85% (and above) of the target BA on compliance in FY 2001.
- Narrative impacts on outyear compliance milestones, program scope, schedule, and closure dates. Please be sure to explicitly identify the year in which the anticipated compliance impact is to occur. Also identify whether any issue arises because of the FY 2001 target or the outyear target or a combination. Impacts should include the benefits of funding the activity as well as the adverse impacts from a failure to fund the activity.

Please note that Site Summary Level Data must include Impact statements for the decrement and target levels of funding. These impact statements will provide the probability of funding levels affecting: 1) closure dates; and 2) cost increases greater than 5%.

6.3 FY 2001 Performance-based Budget

EM has established a budget structure that more closely aligns EM's goals of accelerating cleanup and project-based management. This structure is intended to improve EM's ability to track progress and costs and provide a more understandable reporting structure.

The FY 2001 budget narrative will be organized by Project Baseline Summary and will describe (1) the defined scope, schedule, and cost; (2) budget data; (3) performance data; and (4) compliance and safety and health information. Most of this information is derived from the PBS itself. This approach is in keeping with the intent and requirements of the Government Performance and Results Act (GPRA) and will also fulfill the Office of Management and Budget's (OMB) requirement for significantly more detailed and improved performance information in the FY 2001 budget request. The FY 2001 performance-based budget information will be used to justify EM's budget and will make a clear case for the value of the program within the context of measurable results that are clearly understandable to our stakeholders. Also, budget and performance information will be aggregated to the site level and total EM level and presented within a life-cycle context to demonstrate the results that will be accomplished for the resources requested.

Project Baseline Summary - Cross Funding

Consistent with the FY 2000 submission, PBSs will need to be structured so that each PBS:

- Contains funding for only ONE appropriation account (privatization projects should continue to be included as a separate appropriation account),
- Contains funding from only one program account (Closure, Site/Project Completion, Post 2006 Completion, Science and Technology, and Program Direction). In addition, no movement of PBSs between program accounts will be allowed at this time.
- Attachment D contains a valid PBS list and Attachment E discusses procedures to request project changes.

The budget structure continues to categorize projects according to the specific appropriations--Defense Facilities Closure Projects, Defense Environmental Restoration and Waste Management, Defense Environmental Management Privatization, Non-Defense Environmental Management, and the Uranium Enrichment Decontamination and Decommissioning Fund. EM's three budget program accounts reflect EM's near-term goals and closure dates: Site Closure, Site/Project Completion, and Post 2006 Completion.

To meet the Department's schedule for a Corporate Review Budget in June 1999, EM will collect Budget Authority (BA) and Performance Measures data from the Operations/Field Offices by PBS. The categories and subcategories of performance measure data are delineated in Attachment G. BA and Performance Measures data will be collected by PBS for the below target, target, and planning levels for FY 2001 (the planning level is the baseline).

The FY 1999 and FY 2000 BA and Performance Measures data will be seeded and “locked” at the PBS level based on the FY 2000 Congressional Budget Request.

Operations/Field Offices are requested to:

- Submit BA and Performance Measure data for FY 2001 budget formulation, in the Limited Updating, Viewing, and Reporting Tool, for each PBS at the below target, target, and over-target levels. BA data will need to be an estimated percent allocation to the cross-cut metric categories and subcategories listed in Attachment G.
- Reference and use the integrated set of performance measures definitions, B&R codes, and valid projects.
- Evaluate your performance-based budget information to:
 - S Minimize, to the extent possible, instances where there is BA and no performance measure activity or a performance measure activity and no BA. While there may be valid reasons as to why there is BA and no measure for an activity (i.e., the measure may not capture all work scope; work is in progress and has not yet been completed; data is classified; or other reasons) or why there is a performance measure activity and no BA (i.e., uncosted carryover), these cases must be the exception.
 - S Ensure the breakout of the performance measures data by program account (Site/Project Completion, Site Closure, or Post-2006 Completion) is consistent with the corresponding breakout of the BA by program account.

6.4 Ancillary Requirements

6.4.1 Re-engineering Waste Management

The Operations/Field Office should provide information regarding re-engineering waste management to the EM Office of Budget and the EM CIO. EM requests the following information be submitted by April 15, 1999, for all sites which may transfer budget target in FY 2001:

1. Site name.
2. Program dollar amounts and short descriptions of activities expected to transfer and the associated Project Baseline Summary (PBS).
3. Program Direction dollar amount expected to transfer broken out by salaries, travel, support services, and other related expenses.
4. Mission Program the transfer is going to.
5. Number of FTEs expected to transfer.
6. Waste management activities and associated dollar amounts which are expected to remain with the Waste Management Program (i.e. legacy waste, High Level, Transuranic).

Given that no transfers have been fully agreed to at this point in time, and may not be made by the due date above for this data, it is expected that this information will be provided as estimates and will be expected to change.

The point of contact for re-engineering waste management activities is Robert Campbell, (301) 903-7127.

6.4.2 Non-federal Security Investigations

Again this year, each Operations/Field Office must submit data for those sites funding non-Federal security investigations. Prior to FY 1999, the Office of Security Affairs was responsible for this funding. In FY 1999, the various Departmental organizations budgeted for this activity. A separate PBS and B&R code(s) for each applicable program account has been established to capture these costs. The funding for this activity will be included in the field target.

The following information is required for FY 1999, FY 2000, and FY 2001:

- Appropriation
- Number of new investigations
- Number of re-investigations

6.4.3 Departmental Field Budget Call

Sites must be prepared to submit on schedule all pertinent ancillary budget documentation requested by the Department of Energy Chief Financial Officer in the Field Budget Call. This information includes guidance on program direction, construction project data sheets, crosscutting materials, etc. Please note that environmental restoration activities do not require project data sheets.

6.5 Headquarters Analysis

The purpose of the Headquarters analysis, to be conducted between April 16 and mid-May 1999, is to review the IPLs, to verify that the field assessments of the performance measurement, technical, and cost data are adequate, and to establish a level of confidence in the information on which the proposals are based. The Headquarters review will also analyze the field proposals as a whole, based on a national perspective considering the impact on closure as discussed in *Paths to Closure*. This analysis will result in issues and recommendations for discussion at the budget hearings in mid-May. Headquarters will coordinate any changes in data resulting from their review with Headquarters Site Leads and Operations/Field Offices.

6.6 Corporate Forum Budget Review

A schedule for the entire FY 2001 budget cycle is described in Attachment A. It is currently envisioned that during May 1999, several days will be set aside for deliberations among EM senior management to discuss the FY 2001 budget. The Assistant Secretary for Environmental Management, all Deputy Assistant Secretaries, and Operations/Field Office Managers or their designees should be present at these hearings. Stakeholder representatives and representatives from other government agencies may also be in attendance.

At these hearings, each Operations/Field Office will be expected to present its proposed program and budget for FY 2001. The focus of the presentations should be on justifying the activities that make up the Operations/Field Office's below target program, activities that make up the target level, and the over-target level. These presentations will give the field an opportunity to present the best case for their proposed program and convince the reviewers that their formal budget request represents the most efficient program possible.

This process takes as fundamental assumptions that the program presented by each Operations/Field Office will be consistent with the goals of *Paths to Closure*, discuss any impacts on closure and **must be consistent with the April 15th submission**.

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